

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02494A
Ash Creek Water Company
PO Box 825
Thatcher, AZ 85552



ANNUAL REPORT

FOR YEAR ENDING

12	31	2006
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FOR COMMISSION USE

ANN 04	06
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PROCESSED BY:

4-2007

SCANNED

COMPANY INFORMATION

Company Name (Business Name) _____ ASH CREEK WATER COMPANY _____

Mailing Address _____ PO BOX 825 _____
(Street)

_____ THATCHER _____ ARIZONA _____ 85552
(City) (State) (Zip)

_____ 928-428-5420 _____ 928-428-3358 _____ 928-965-2934
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____ bbarney@aznexus.net _____

Local Office Mailing Address _____ same as above _____
(Street)

_____ (City) _____ (State) _____ (Zip)

_____ 928-428-3357 _____ 928-428-3358 _____ 928-965-2934
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____ bbarney@aznexus.net _____

MANAGEMENT INFORMATION

Management Contact: _____ BEVAN BARNEY _____ INTERIM MANAGER _____
(Name) (Title)

_____ PO BOX 825 _____ THATCHER _____ ARIZONA _____ 85552
(Street) (City) (State) (Zip)

_____ 928-428-5420 _____ 928-428-3358 _____ 928-965-2934
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____ bbarney@aznexus.net _____

On Site Manager: _____ BEVAN BARNEY _____
(Name)

_____ PO BOX 825 _____ THATCHER _____ ARIZONA _____ 85552
(Street) (City) (State) (Zip)

_____ 928-428-5420 _____ 928-428-3358 _____ 928-965-2934
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____ bbarney@aznexus.net _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

COMPANY NAME	ASH CREEK WATER COMPANY
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UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	650.00		650.00
302	Franchises			
303	Land and Land Rights	3,230.50		3,230.50
304	Structures and Improvements	443.00	398.45	44.55
307	Wells and Springs	6,520.00		6,520.00
311	Pumping Equipment	10,681.68	4,236.49	6,445.19
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	6,512.25	1,440.37	5,071.88
331	Transmission and Distribution Mains	64,017.00	49,790.55	14,226.45
333	Services			
334	Meters and Meter Installations	14,439.00	9,541.85	4,897.15
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	1,700.00	1,010.00	690.
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	108,193.43	66,417.71	41,775.72

This amount goes on the Balance Sheet Acct. No. 108

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	650.00		
302	Franchises			
303	Land and Land Rights	3,230.50		
304	Structures and Improvements	443.00	5	22.15
307	Wells and Springs	6,520.00		
311	Pumping Equipment	10,681.68	5	534.08
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	6,512.25	5	325.61
331	Transmission and Distribution Mains	64,017.00	5	3,200.85
333	Services			
334	Meters and Meter Installations	14,439.00	5	721.95
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	1,700.00	5	85.00
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	108,193.43		

4889.64

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

BALANCE SHEET

Acct .No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$4,282.00	\$12,946.54
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	6,985.87	3,121.07
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		2,008.50
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	11,267.87	18,076.11
		\$	\$
	FIXED ASSETS		
101	Utility Plant in Service	\$108,193.43	\$113,365.89
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	64,528.07	70,972.46
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$43,665.36	\$42,393.43
	TOTAL ASSETS	\$54,933.23	\$60,469.54

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$0.00	\$0
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	1,992.57	2,542.57
236	Accrued Taxes	989.20	1,757.06
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		(273.29)
	TOTAL CURRENT LIABILITIES	\$2,981.77	\$4,026.34
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$0.00	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	2,036.00	2,756.00
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$2,036.00	\$2,756.00
	TOTAL LIABILITIES	\$5,017.77	\$6,782.34
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)	56,079.99	53,687.20
	TOTAL CAPITAL	\$	\$53,687.20
	TOTAL LIABILITIES AND CAPITAL	\$61,097.76	\$60,469.54

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$31,387.66	\$34,342.59
460	Unmetered Water Revenue		
474	Other Water Revenues	978.65	240.00
	TOTAL REVENUES	\$32,366.31	\$34,582.59
	OPERATING EXPENSES		
601	Salaries and Wages	\$17,160.70	\$15,968.49
610	Purchased Water		
615	Purchased Power	2,009.96	2,268.41
618	Chemicals		
620	Repairs and Maintenance	1,925.04	115.97
621	Office Supplies and Expense	466.87	520.69
630	Outside Services	395.00	0
635	Water Testing	1,900.31	420.00
641	Rents	36.00	38.00
650	Transportation Expenses	1,737.69	1,883.86
657	Insurance – General Liability		781.00
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	1,520.74	1,554.56
403	Depreciation Expense	4,889.64	5,294.46
408	Taxes Other Than Income		
408.11	Property Taxes	1,206.09	1,218.49
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$33,248.04	\$30,063.93
	OPERATING INCOME/(LOSS)	\$(881.73)	\$4,884.08
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	45.91	
	TOTAL OTHER INCOME/(EXPENSE)	\$(45.91)	\$
	NET INCOME/(LOSS)	\$(927.64)	\$4,884.08

COMPANY NAME	ASH CREEK WATER COMPANY
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SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End	\$ 2,542.57
Meter Deposits Refunded During the Test Year	\$ 100.00

COMPANY NAME	ASH CREEK WATER COMPANY
Name of System	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
621788	1	21	191	8	2	
621786	3	35	170	6	2	

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	ASH CREEK WATER COMPANY
Name of System	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2		
3		
4	<u>PVC</u>	<u>5 MILES</u>
5		
6		
8		
10		
12		

CUSTOMER METERS	
Size (in inches)	Quantity
<u>5/8 X 3/4</u>	<u>111</u>
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME ASH CREEK WATER COMPANY YEAR ENDING 12/31/2006

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 1,218.49

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

VERIFICATION

STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)
GRAHAM
NAME (OWNER OR OFFICIAL) TITLE
BEVAN BARNEY, INTERIM MANAGER
COMPANY NAME
ASH CREEK WATER COMPANY

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING


MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL

928-728-5420

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

16

DAY OF

April


COUNTY NAME	<u>Graham</u>
MONTH	<u>April</u>
	<u>2007</u>

(SEAL)

MY COMMISSION EXPIRES



OFFICIAL SEAL
KRIS A. SEMON
NOTARY PUBLIC - State of Arizona
GRAHAM COUNTY
My Comm. Expires July 27, 2008



SIGNATURE OF NOTARY PUBLIC

COMPANY NAME ASH CREEK WATER COMPANY YEAR ENDING 12/31/2006

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 4,884.08
Estimated or Actual Federal Tax Liability

State Taxable Income Reported 4,884.08
Estimated or Actual State Tax Liability

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances
Amount of Gross-Up Tax Collected
Total Grossed-Up Contributions/Advances

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

4-16-07
DATE

BEVAN R. ARNEY
PRINTED NAME

INTERIM MANAGER
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) GRAHAM
NAME (OWNER OR OFFICIAL) TITLE BEVAN BARNEY, INTERIM MANAGER
COMPANY NAME ASH CREEK WATER COMPANY

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 36,677.50

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 2,094.90
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
928-428-5420
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

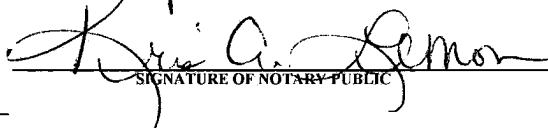
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 16 DAY OF

COUNTY NAME	<u>Graham</u>
MONTH	<u>April</u> 200 <u>7</u>

MY COMMISSION EXPIRES 7/27/09

(SEAL) KRIS A. LEMON
NOTARY PUBLIC - ARIZONA
My Comm. Expires 7/27/2009


SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) GRAHAM	
NAME (OWNER OR OFFICIAL) BEVAN BARNEY	TITLE INTERIM MANAGER
COMPANY NAME ASH CREEK WATER COMPANY	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

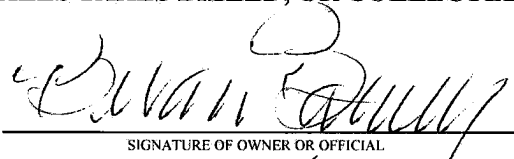
ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 36,677.50

THE AMOUNT IN BOX AT LEFT

INCLUDES \$ 2,094.90
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.


SIGNATURE OF OWNER OR OFFICIAL
928-428-5420
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

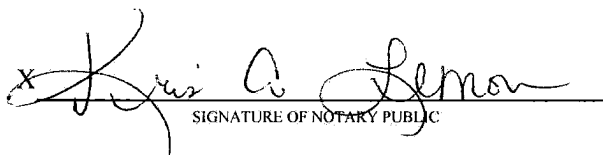
THIS

16

DAY OF

NOTARY PUBLIC NAME Kris A. Lemon	
COUNTY NAME Graham	
MONTH April	20 <u>07</u>

(SEAL) OFFICIAL SEAL
KRIS A. LEMON
NOTARY PUBLIC - State of Arizona
GRAHAM COUNTY
MY COMMISSION EXPIRES
7/27/09


SIGNATURE OF NOTARY PUBLIC

TO: BRENDA B. DELAO COMPANY:

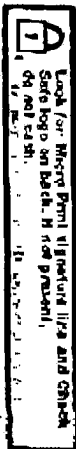


Bank of America

428-3358
Attn: Kathy

Capture Date: 20061012 Sequence #: 3250528682

ASH CREEK WATER CO., LLC P.O. BOX 825 THATCHER, AZ 85532 928-428-5420		1374
PAY TO THE ORDER OF <u>Graham Co Treasurer</u>		<u>10-5</u> 20 <u>06</u> 81-170/1221
<u>Five Hundred thirty three & 34/100</u> DOLLARS		\$ <u>593.31</u>
BANK OF AMERICA BANK OF AMERICA ARIZONA ACH R/T 122101706		
FOR <u>934-40-680 1/2 2006 TAXES KATHY DUNN</u>		
⑈001374⑈ ⑆122101706⑆ 004680427371⑈ ⑈0000059331⑈		



ENDORSE HERE

PAY TO THE ORDER OF
BANK ONE, ARIZONA, NA
JEAN HENOLD
GRANITE COUNTY TREASURER
21152861

60318 211498

OCT 11 2006

10/12/06 13593.01 P01

111901331

No Electronic Endorsements Found
No Payee Endorsements Found